Actual fiscal deficit of the Centre has been contained in recent years and shows a declining trend. For 2004-05, the fiscal deficit was Rs. 1,25,202 crore (4.0 per cent of GDP). Fiscal deficit of the Centre is budgeted at Rs. 1,48,686 crore (3.8 per cent of GDP) in 2006-07. Data on fiscal deficit for States and Consolidated General Government is available only up to 2005-06 (BE).

(b) and (c) As a proportion of GDP fiscal deficit of Centre, States and Consolidated General Government have declined in the last two or three years. This has been the result of the series of initiatives taken by the Centre and States in pursuance of fiscal consolidation. Initiatives taken by the Centre, *inter alia,* include: enactment of the Fiscal Responsibility and Budget Management (FRBM) legislation; widening the tax base through phased removal of exemptions and increased coverage under service tax; special drive to realise tax arrears; a soft interest rate regime; pension reforms and efforts at targeting subsidies to the poor and truly needy sections of the society. The introduction of State-level value added tax and implementation of the Twelfth Finance Commission award, which include a debt relief and debt write-off package to States linked to the enactment of fiscal responsibility legislation by them, have helped reduce their fiscal deficit. Reportedly, twenty-one States have so far enacted fiscal responsibility legislation. Adherence to the fiscal responsibility legislation by the Centre and States would bring down the combined fiscal deficit.

(d) Various international financial institutions bring out country specific macroeconomic reports periodically, which are advisory in nature. Such reports, *inter alia,* indicate that India could sustain the present high growth rate through adherence to the fiscal adjustment objectives and targets enunciated under the FRBM Act and Rules made thereunder.

Land for expansion of Chennai Airport

*554. SHRI R. SHUNMUGASUNDARAM: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there is a delay in the land acquisition proceedings for the expansion of Kamaraj Domestic and Anna International Airports at Chennai;

(b) if so, the reasons therefor; and

(c) if not, the time schedule for completion of the airport expansion?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) State Government of Tamil Nadu has initiated actions to acquire 583 hectares of land on the northern side of the existing Chennai Airport and hand over the same to Airports Authority of India (AAI) for development of a new International Terminal Building, a parallel runway, other infrastructure etc. Some affected residents have filed a Writ Petition against the land acquisition proceedings in the High Court of Madras and the matter is presently subjudice.

Speedy clearance of outstation cheques

*555. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to evolve a mechanism for speedy clearance of outstation cheques by banks;

(b) if so, how Government propose to facilitate the process; and

(c) whether any amendment to the banking laws is contemplated?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Banks have been advised by Reserve Bank of India (RBI) to afford immediate credit in respect of outstation cheques upto Rs. 15,000/- subject to certain condition such as the bank being satisfied about the proper conduct of the customers' account etc. Inter-city clearing and proposed Cheque Truncation system are steps for faster clearance of outstation cheques.

(c) Government is contemplating new legislation which, *inter alia,* would lay down operational and technical standards for various payment systems.